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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

## PAID UP OIL AND GAS LEASE

(No Surface Use)

\_, 2008, by and between

THIS LEASE AGREEMENT is made this day of	, 2008, by and between
Leva W. Hartin a Single Denon	
	1 TEXES 76100/ as Lesson
whose addresss is 1308 tast lattle Street for MOVT and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texas 75201, as Lessee, Al	
harringhour named be Leegag, but all other provisions (including the completion of blank spaces) Were 0f903f90 [0]	MIV DV LASSOF AND LESSEE.
<ol> <li>In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby gra-</li> </ol>	ants, leases and lets exclusively to Lessee the following
described land, hereinafter called leased premises:	
410	BLOOK 1/1/
140 ACRES OF LAND, MORE OR LESS, BEING LOT(S)	BLOCK 44
OUT OF THE GUILD DEACT	ADDITION, AN ADDITION TO THE CITY OF ING TO THAT CERTAIN PLAT RECORDED
	DS OF TARRANT COUNTY, TEXAS.
IN VOLUME 63, PAGE 45 OF THE PLAT RECOR	BOOT TARROUT COCKTT, TEXTS.
1,110	
in the County of Tarrant, State of TEXAS, containing gross acres, more or less (including an	ny interests therein which Lessor may hereafter acquire b
reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil ar substances produced in association therewith (including geophysical/seismic operations). The term "gas" as	nd gas, along with all hydrocarbon and non hydrocarbon used herein includes helium, carbon dioxide and othe
commercial pases, as well as hydrocarbon pases. In addition to the above-described leased premises, this lease	also covers accretions and any small strips or parcels of
land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or	, and, in consideration of the aforementioned cash bonus
of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be dec	erned correct, whether actually more or less.
	- /
2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of	years from the date hereof, and for
as long thereafter as oit or gas or other substances covered hereby are produced in paying quantities from the lease otherwise maintained in effect pursuant to the provisions hereof.	
2. Devoltion on all gas and attenuated and and any advandance shall be gold by Laggar to La	ssor as follows: (a) For oil and other liquid hydrocarbon
separated at Lessee's separator facilities, the royalty shall be <u>full the full text of the</u>	of such production, to be delivered at Lessee's option to Il have the continuino right to purchase such production a
the wellnead market price then prevailing in the same field (or if there is no such price then prevailing in the same	he nelo, then in the fleatest new iii which there is such .
prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all	other substances covered hereby, the royalty shall be not tess a proportionate part of ad valorem taxes an
production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise	se marketing such gas or other substances, provided tha
Lessee shall have the continuing right to purchase such production at the prevailing welthead market price paid for	production of similar quality in the same field (or if there i
no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) puthe same or nearest preceding date as the date on which Lessee commences its purchases hereunder, and (c) if a	I the end of the primary term or any time thereafter one of
more wells on the leased premises or lands nooled therewith are capable of either producing oil or gas or other sub	istances covered hereby in paying quantities or such well
are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production there from is not be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 con	neing sold by Lessee, such well or wells shall nevertheles Insecutive days such well or wells are shut-in or productio
there from is not being sold by Lessee, then Lessee shall pay shut-in royally of one dollar per acre then covered	I by this lease, such payment to be made to Lessor or t
Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or while the well or wells are shut-in or production there from is not being sold by Lessee; provided that if this lease is	before each anniversary of the end of said 90-day perions of head anniversary of the end of said 90-day perions of if productions.
is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in ro	byalty shall be due until the end of the 90-day period ne
following cessation of such operations or production. Lessee's failure to properly pay shut-in royally shall render terminate this lease.	Lessee liable for the amount due, but shall not operate t
<ol> <li>All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in _a</li> </ol>	at lessor's address above or its successors, which sha
be Lessor's depository agent for receiving payments regardless of changes in the ownership of sald land. All payment	nts or tenders may be made in currency, or by check or b
draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelor address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by all	nother institution, or for any reason fail or refuse to accer
payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming and	other institution as depository agent to receive payments.
<ol><li>Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in pay premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases</li></ol>	ying quantities (hereinafter called "dry noie") on the lease s from any cause, including a revision of unit boundarie
pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this	fease is not otherwise being maintained in force it sha
nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an addition the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or	onal well or for otherwise obtaining or restoring production within 90 days after such cessation of all production. If a
the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but L	essee is then engaged in drilling, reworking or any other.
operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long a no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas of	as any one or more of such operations are prosecuted with
there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a	well capable of producing in paying quantities hereunde
Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent or	perator would drill under the same or similar circumstance
to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith.	There shall be no covenant to drift exploratory wells or an
additional wells except as expressly provided herein.	
<ol><li>Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interes depths or zones, and as to any or all substances covered by this lease, either before or after the commencement</li></ol>	it therein with any other lands or interests, as 10 any or a nt of conduction, whenever Lessee deems it decessary (
proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authorit	ty exists with respect to such other lands or interests. The
unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%; provided that a larger	
completion to conform to any well spacing or density pattern that may be prescribed or permitted by any government	ntal authority having jurisdiction to do so. For the purpos
of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the ap	ppropriate governmental authority, or, If no definition is s
prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barret and "gas well feet or more per barret, based on 24-hour production test conducted under normal producing conditions using	
equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the g	ross completion interval in facilities or equivalent testing
equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gros- component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration de	
Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased prer	mises shall be treated as if it were production, drilling of
reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated sh	
net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only t Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall he	have the recurring right but not the obligation to revise an
unit formed hereunder by expansion or contraction or both, either before or after commencement of production, i	in order to conform to the well spacing or density patter
prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the	e determination made by such governmental authority. It effective date of revision. To the extent any portion of the
leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production	on which royalties are payable hereunder shall thereafte
be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation	n thereof, Lessee may terminate the unit by filing of recor
a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a	cross-conveyance of Interests.

- If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lesson's interest in such part of the leased pre-
- such part of the leased premises.

  8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or entarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessee has been turnished the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be refleved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred interest hereunder in any interest ont so transferred. If Lessee transfers a full or undivided interest in all or any coding of the area covered by this lessee, the obligations to Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferse in proportion to the net acreage interest in this lease then held by each.

  9. Lessee may, all any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of
- the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced In accordance with the net acreage interest retained hereunder.
- In accordance with the net acreage interest retained hereunder.

  10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shalf have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canats, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oit, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or becautive to grant such rights in the vicinity of the leased premises or lands pooled therewills. When requested by Lessor in other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewilh. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.
- 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

  12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon
- expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to
- purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

  13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royally or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

  15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes,
- mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other
- 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

  DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms

which caused has at may negonate with any other lessorston and gas of	wners.	·
IN WITNESS WHEREOF, this lease is executed to be effective as of the daheirs, devisees, executors, administrators, successors and assigns, whether of	ate first writte or not this lead	n above, but upon execution shall be binding on the signatory and the signatory and the signatore has been executed by all parties hereinabove named as Lessor.
LESSOR (WHETHER ONE OR MORE)		
Linabartin		
BY: LENA HARTIN		Ву:
STATE OF TEXAS	KNOWLED	GMENT
COUNTY OF Tarrant	day of	Tune 2008-
by: This instrument was acknowledged before me on the by:	day of	2000
manua.	1	MAVIS
DARLENE CARTER Notary Public, State of Texas		Nolary Public, State of
My Commission Expires March 28, 2012		Natary's name (printed): Natary's commission expires: 3ーラ8 1 み
STATE OF		
COUNTY OF This instrument was acknowledged before me on the	day of	, 2008,
by:		
		Notary Public, State of



## DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

**DALLAS** 

TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration: 06/17/2008 01:09 PM
Instrument #: D208232022
LSE 3 PGS \$20.00

D208232022

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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